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REPORT OF THE SECRETARY-GENERAL ON
THE WORK OF THE ORGANIZATION

SECURITY COUNCIL
Forty-eighth year

Note verbale dated 1 June 1993 from the Permanent Mission of Ukraine to the United Nations addressed to the Secretary-General

The Permanent Mission of Ukraine to the United Nations presents its compliments to the Secretary-General of the United Nations and, with reference to his note dated 12 April 1993 soliciting views and proposals of Governments on the question of assistance to third countries that sustained economic losses arising from implementing mandatory sanctions under Chapter VII of the Charter of the United Nations, has the honour to submit the following comments of the Government of Ukraine.

The position of Ukraine in this regard was outlined in a letter from the President of Ukraine to the Secretary-General of the United Nations delivered by the Minister for Foreign Affairs of Ukraine on 23 March 1993, which was brought to the attention of the members of the Security Council. In that letter, it was emphasized, inter alia, that there was an urgent need to implement provisions of Article 50 of the Charter and to engage also the existing international mechanisms to mitigate suffering and prevent serious damage to third countries arising from sanctions.

It was stressed that sanctions should be implemented by all States, and economic losses therefore should be equitably shared among the developed Member States of the United Nations. In the view of the Government of Ukraine, the factor of economic losses resulting from the adherence to sanctions has to be taken into account when assessing contributions to the budget of the United Nations.

On 19 April 1993, the Permanent Representative of Ukraine to the United Nations transmitted to you, in accordance with Article 50 of the Charter of the United Nations, the text of the letter of the Minister for Foreign Affairs of Ukraine on this issue, which was circulated as an official document of the

Security Council (S/25630). Furthermore, the Secretary-General of the United Nations circulated as document S/25636 the text of the Appeal by the employees of the Danube Shipping Company in connection with the grave economic problems arising from the carrying out by Ukraine of Security Council sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro).

The observations of Ukraine on this matter were also presented in the statement by the Minister for Foreign Affairs of Ukraine before the Committee established pursuant to Security Council resolution 724 (1991) of 15 December 1991 concerning Yugoslavia on 26 March 1993 and in the statement by the representative of Ukraine on 20 May 1993 in the Working Group on Article 50 of the Committee.

In those interventions, the view was expressed that owing to its geographical situation Ukraine happened to be among those States which are charged by the Security Council with the responsibility for monitoring sanctions on the river Danube, which entails additional economic burdens and requires allocation of its limited technical and financial resources to monitor effectively and to coordinate those activities with other countries. Ukraine believes that this particular factor should be duly taken into account when examining the measures that must be taken to insulate third countries from economic difficulties arising from sanctions.

In addition to the above and in view of the necessity of devising a mechanism of implementation of Article 50 of the Charter of the United Nations, Ukraine proposes the following measures:

(a) In parallel with the decision by the Security Council to impose or strengthen a sanctions regime against any Member State, it is necessary to foresee the creation of an adequate compensation mechanism for third countries sustaining economic losses. For example, establishment of the relevant sanctions committee should be automatically followed by the creation of a special compensation committee of the Security Council;

(b) A permanent or an ad hoc committee of the Security Council should be created in accordance with Article 50 with the mandate to consider, in the shortest time possible, applications from third countries on the question of assistance in solving their special economic problems arising from the carrying out of the preventive or enforcement measures taken by the Security Council. The competence of such a committee would include, inter alia:

(i) Coordination and implementation, in cooperation with international organizations, of programmes regarding technical assistance to the countries, especially those entrusted with the responsibility of monitoring the implementation of sanctions;

(ii) Coordination of humanitarian assistance to refugees and migrant persons as a result of the impact of sanctions;

(iii) Recommendations to the Committee on Contributions regarding adjustments, for a fixed period of time, in the assessment rates of those countries monitoring the implementation of sanctions, and therefore experiencing grave economic difficulties;

(iv) Elaboration, together with the relevant international and regional organizations and arrangements, of a list, as well as scope of trade preferences for each country concerned;

(v) Recommendations regarding export quotas on goods and commodities;

(vi) Holding of consultations with a view to lowering tariff barriers and removing restrictions on the trade of certain goods and commodities;

(vii) Elaboration, in cooperation with the International Monetary Fund and the World Bank, of programmes aimed at improving the financial situation of States that sustain economic damage;

(c) The establishment of an emergency fund to meet the claims of countries that have sustained losses, which would be financed on the basis of the scale of assessments for peace-keeping operations, as well as through voluntary contributions from Governments and private institutions;

(d) The establishment, following the modalities of the Compensation Fund created pursuant to Security Council resolution 687 (1991) of 3 April 1991, of an international insurance fund financed in accordance with the principle of the capacity to pay of individual States and with due regard to the level of responsibilities of States for maintenance of international peace and security;

(e) An imposition upon a State that committed unlawful actions of obligations to partially reimburse economic losses sustained by third countries;

(f) Creation of a task force to assess the economic situation in the regions and third countries that sustain economic damage arising from the carrying out of sanctions;

(g) Elaboration of an international methodology for calculating the losses of third countries arising from the implementation of sanctions.

The Permanent Mission of Ukraine to the United Nations requests that the present note be circulated as an official document of the forty-seventh session of the General Assembly, under agenda item 10, and of the Security Council.